United Nations A/62/344–S/2007/553

General Assembly
Security Council

Distr.: General
20 September 2007

Original: English

**General Assembly**
**Sixty-second session**
Items 17 and 18 of the provisional agenda*

**The situation in the Middle East**

**Question of Palestine**

**Security Council**
**Sixty-second year**

# Peaceful settlement of the question of Palestine

## Report of the Secretary-General

*Summary*

The present report is submitted in accordance with General Assembly resolution 61/25 of 1 December 2006. It contains replies received from the President of the Security Council and the concerned parties to the notes verbales sent by the Secretary-General pursuant to the request contained in paragraph 18 of the resolution. The report also contains the observations of the Secretary-General on the current state of the Israeli-Palestinian conflict and on international efforts to move the peace process forward with a view to achieving a peaceful solution. The report covers the period from September 2006 through September 2007.

* A/62/150.

07-51201 (E) 111007

# I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 61/25 of 1 December 2006.

2. On 1 August 2007, pursuant to the request contained in paragraph 18 of the above-mentioned resolution, I addressed the following letter to the President of the Security Council:

> "I have the honour to refer to resolution 61/25, which the General Assembly adopted on 1 December 2006, at its sixty-first session, under the agenda item entitled 'Question of Palestine'.
>
> "In order to fulfil my reporting responsibilities under this resolution, I should be grateful if you would kindly convey to me the views of the Security Council by 31 August 2007."

3. On 10 September 2007, the following reply was received from the Security Council:

> "The situation in the Middle East, including the Palestinian question, remains one of the most important items on the Security Council agenda. The Council continues to consider the situation in the Middle East on a regular basis, in particular with monthly briefings by the Under-Secretary-General for Political Affairs, the Special Coordinator for the Middle East Peace Process and senior Secretariat staff, followed by an open debate of the Council or by consultations.
>
> "On 12 December 2006, the Security Council adopted a presidential statement (S/PRST/2006/51), which was read by its President. On that occasion, the Council stressed that negotiation was the only way to bring peace and prosperity to peoples throughout the Middle East and welcomed the agreement between Israeli Prime Minister Ehud Olmert and Palestinian Authority President Mahmoud Abbas to establish a mutual ceasefire in Gaza, signed in December 2006. It also encouraged the parties to engage in direct negotiations and reaffirmed the vital role of the Quartet in providing needed assistance to the parties.
>
> "In early January 2007, the Security Council considered a draft presidential declaration, proposed by Indonesia, aimed at keeping the momentum from positive developments on the ground, including the ceasefire agreement and the understandings reached at the summit between Israeli Prime Minister Ehud Olmert and Palestinian Authority President Mahmoud Abbas on 23 December 2006. Due to a lack of consensus, the draft was not adopted.
>
> "On 25 January 2007, the Security Council held consultations on the situation in the Middle East, including the question of Palestine, which, owing to the worsening humanitarian crisis in the Palestinian territories, focused on initiatives aimed at reviving the peace process and on the need to preserve the Gaza ceasefire agreement.
>
> "On 13 February 2007, the Security Council held an open debate on the situation in the Middle East, in which Mr. Alvaro de Soto, Special Coordinator for the Middle East Peace Process, gave a briefing. The Council members took note of the agreement between Hamas and Fatah, reached in Mecca on

8 February 2007, under the leadership of Saudi Arabia, with a view to putting an end to the fratricidal clashes between Palestinians.

"Several Council members expressed great concern about the violence resulting from the construction carried out near the Al-Aqsa Mosque, raising tensions in the Palestinian territories and in Muslim countries.

"On 14 March 2007, Council members heard a presentation by Mr. Lynn Pascoe, Under-Secretary-General for Political Affairs, which was followed by consultations on the situation in the Middle East.

"On 5 April 2007, the Council considered your report after your visit to the Middle East and the meetings you had held during and in the margins of the League of Arab States Summit, held in Riyadh (Saudi Arabia), on 28 and 29 March 2007, including on the question of the revitalization of the Israeli-Palestinian peace process.

"On 15 and 18 May 2007, we exchanged letters on the appointment of Mr. Michael Williams as Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestinian Liberation Organization and the Palestinian Authority, succeeding Mr. Alvaro de Soto.

"On 24 May 2007, a presentation by Mr. Lynn Pascoe, Under-Secretary-General for Political Affairs, was followed by consultations on the Middle East. Council members generally deplored the renewed violence and urged the principal parties to exercise restraint. They expressed the hope that the Middle East Quartet would become more involved in the effort to revive the Israeli-Palestinian peace process.

"On 30 May 2007, the President of the Security Council delivered a press statement on the breakdown of the ceasefire in the Gaza Strip in which the members of the Council expressed their grave concern at the resulting increase in violence.

"On 1 June 2007, you informed the Council of the outcome of the meeting of the Middle East Quartet, held in late May 2007.

"On 20 June 2007, the Council held consultations on, in particular, the situation in Palestine. It deplored the serious events in Gaza and the West Bank that had led to the dissolution of the Palestinian National Unity Government and to the declaration of a state of emergency.

"Council members appealed to the Palestinians to settle their differences peacefully through dialogue. Special emphasis was placed on the worsening humanitarian situation in Gaza. Several Council members welcomed the measures aimed at lifting the financial blockade imposed on Palestine since the Hamas victory in the legislative elections.

"On 25 July 2007, the Council heard a public presentation by Mr. Michael Williams, Special Coordinator for the Middle East Peace Process, in which the continued violence and the worsening humanitarian situation, particularly in Gaza, were stressed.

"On this last point, a draft presidential declaration on the worsening humanitarian situation in Gaza, proposed by Qatar and Indonesia, was not adopted owing to a lack of consensus.

"On 29 August 2007, the Council held an open debate on the situation in the Middle East. The Council heard the last briefing of Mr. Michael Williams as Special Coordinator for the Middle East Peace Process.

"Council members commended Mr. Williams's work as Special Coordinator and expressed their hope that the diplomatic momentum described by Mr. Williams (substantive dialogue developing between Palestinian President Mahmoud Abbas and Israeli Prime Minister Ehud Olmert; upcoming high-profile international meetings on the Middle East, particularly the meeting called by the President of the United States of America) could pave the way for substantial developments towards finding a solution. Council members expressed the view that meaningful steps in the field would be useful to back this diplomatic process.

"The Council continues to keep the evolving situation in the Middle East, including the Palestinian question, under active review through monthly briefings, open meetings and informal consultations. During these meetings, the Council members reiterate their support for a just and comprehensive settlement in the Middle East based on Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), the outcome of the Madrid Conference, the principle of land for peace, the previous agreements reached by the parties, and the Arab Peace Initiative, reaffirmed at the League of Arab States Summit in Riyadh."

4. In a note verbale dated 8 June 2007 to the parties concerned, I sought the positions of the Governments of Egypt, Israel, Jordan, Lebanon and the Syrian Arab Republic, as well as the Palestine Liberation Organization, regarding any steps taken by them to implement the relevant provisions of the resolution. As at 1 September 2007, the following replies had been received:

### "Note verbale dated 24 August 2007 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General

"As you are aware, Israel has voted against this resolution, as it has done time and time again against similar resolutions adopted by the General Assembly during previous sessions. Because the situation in the Middle East stands at a delicate crossroads, Israel wishes to once again put on record its position on this matter.

"Palestinian terror continues. Mortar and Qassam rocket attacks, launched by Palestinian terrorists in the Gaza Strip at Israeli communities in the south, occur on a daily basis. Over the last month, numerous rockets were launched by Palestinian terrorists, bringing the total number of Qassam rockets that hit Israeli territory during the past year to over 1,000, causing deaths, hundreds of casualties, and vast damage to properties, including schools, kindergartens and residential areas. Hamas has been holding Corporal Gilad

Shalit captive ever since he was kidnapped by the terrorist organization more than a year ago. His abduction also presents a pressing humanitarian situation.

"Palestinian terrorists continue to smuggle weapons across the southern border. Tunnels, burrowed deep beneath the ground, are used by terrorists to move weapons and other munitions. The build-up of weapons presents a grave threat, and efforts must be reinforced to stem the tide of arms smuggling.

"The horrific violence of last June, which resulted in the death and injury of countless innocent Palestinians, imperils the region. Moreover, Hamas's terrorizing of Palestinian society has created a serious humanitarian situation in the Gaza Strip. Nevertheless, Israel remains committed to ensuring that the necessary humanitarian aid is delivered to the Palestinians in the Gaza Strip. Despite the departure of Palestinian Authority security forces from the crossings between the Gaza Strip and Israel, arrangements have been made for humanitarian aid and other supplies to enter and exit the crossings. Since 19 June, more than 50,000 tons have been transferred through the Sufa crossing, and more than 4,000 tons have passed through the Kerem Shalom crossing. Israel continues its coordination activities on the ground, working through the appropriate channels to ensure the passage of aid and other materials. Israel is committed to working with a Palestinian leadership that supports peace and renounces violence. As just one example, on 20 July, Israel released 255 Palestinian prisoners who had been held in Israeli prisons in connection with terrorist activity. In the past month a number of meetings took place to set in motion the building blocks for a political horizon and to maintain a dialogue between Israel and the Palestinian Authority. Most notable among them was the meeting held on 6 August between Prime Minister Olmert and President Abbas in Jericho. Israel hopes to work with its moderate counterparts in the region to advance mutual understanding and formulate the framework that will allow Israel and the Palestinians to move forward on a bilateral process. This process, it must be underscored, should be supported by other like-minded moderate States in the region and the international community, but it cannot be a substitute for direct Israeli-Palestinian dialogue.

"General Assembly resolution 61/25 also cannot be a substitute for direct Israeli-Palestinian dialogue. Rather than promoting a vision that recognizes the rights and obligations of both sides, it obscures the efforts of the parties to achieve a negotiated outcome. It is one-sided resolutions like this one that jeopardize the efficacy of the United Nations and the efficiency of the General Assembly."

## "Note verbale dated 19 July 2007 from the Permanent Observer of Palestine to the United Nations addressed to the Secretary-General

"At the writing of this note, the situation in the Occupied Palestinian Territory, including East Jerusalem, remains grave, with the humanitarian, economic, social, political and security situation deteriorating on all fronts since the adoption by the Assembly of resolution 61/25. In June of this year, the Palestinian people solemnly marked the fortieth year of Israel's military occupation of the Palestinian territory, including East Jerusalem. Tragically,

the Palestinian people remain a stateless, dispossessed and oppressed people, suffering mounting hardships in their ongoing struggle to realize their inalienable human rights, including the right to self-determination. Each passing year witnesses the deepening of the injustice imposed upon the Palestinian people, including the Palestine refugees, further trampling of their human dignity and further shredding of the fabric of Palestinian society.

"The fact is that, while resolution 61/25 and the many resolutions that preceded it remain unimplemented and while the peace process remains stalled, despite efforts exerted to revive it, Israel, the occupying Power, has exploited the passage of time and the inaction of the international community for the continued execution of its illegal policies and actions in the Occupied Palestinian Territory, including East Jerusalem. The result has been the continued Israeli violation of the fundamental rights of the Palestinian people and the creation of even more unlawful facts on the ground in the Occupied Palestinian Territory, including East Jerusalem, with the consequent deepening of the humanitarian crisis and the further fragmenting territorial contiguity of the Palestinian territory, seriously endangering the viability of the two-State solution, the crux of any peaceful solution, and further compounding the Israeli-Palestinian conflict.

"The daily actions of Israel, the occupying Power, are in total contradiction to the provisions of the General Assembly's resolution on the 'Peaceful settlement of the question of Palestine' and in total breach of the relevant tenets of international law. Instead of abiding by the law and United Nations resolutions and actually pursuing peace, Israel has continued acting with flagrant impunity, denying the rights of the Palestinian people and committing grave breaches, including systematic human rights violations, acts of State terror and war crimes against them.

"Since the adoption of resolution 61/25, the occupying Power has not ceased its brutal military campaign against the Palestinian civilian population, a defenceless population entitled to protection under international humanitarian law. The Israeli occupying forces have killed and injured hundreds more Palestinian civilians, including children, in frequent military attacks and raids launched in the Occupied Palestinian Territory, typically characterized by excessive and indiscriminate use of force and frequent extrajudicial killings. Since the adoption of resolution 61/25 until the date of this note, the Israeli occupying forces have killed at least 184 Palestinian civilians. The Israeli occupying forces have also continued to cause the wanton destruction of Palestinian property, including homes, agricultural lands and orchards, vital civilian infrastructure, cultural, religious and historical properties, and national institutions, leading to further displacement and homelessness of civilians, loss of livelihoods, and environmental damage. Such unlawful, lethal and destructive military attacks by the occupying Power not only deepen the suffering of the Palestinian civilian population at all levels, but also constantly fuel tensions and perpetuate the cycle of violence between the two sides.

"Israel also continues to unlawfully and arbitrarily detain and imprison more than 11,000 Palestinians, including at least 112 women and 300 children, and has persisted with daily arrest campaigns. These civilians are typically

held in inhumane conditions, enduring harassment, physical and psychological ill treatment and many subject to torture, rarely having any recourse to due process of law, and many are denied visitation by their families, whose access to the prisoners and to any knowledge about them is severely restricted by the occupying Power. In addition, Israel continues to illegally imprison several democratically elected Palestinian officials.

"Simultaneously, Israel has continued to pursue its illegal colonization campaign via the construction of settlements, the wall, and bypass roads and the imposition of the checkpoints throughout the Occupied Palestinian Territory, including East Jerusalem. After the passage of so many decades of Israel's systematic and constant violations, it has become glaringly clear that the occupying Power has been carrying out its illegal policies against the Palestinian people with the deliberate intent of oppressing and keeping under siege the entire Palestinian population while it consolidates its unlawful occupation of the Palestinian land — now the longest occupation in contemporary history — in order to achieve the de facto annexation of as much of that land as possible. Israel has done this in flagrant violation of the rule of international law regarding the inadmissibility of the acquisition of territory by force and in grave breach of the Fourth Geneva Convention and Additional Protocol 1.

"Since 1967 and continuing today, the occupying Power has relentlessly carried out its colonization campaign, confiscating thousands of dunums of Palestinian land, destroying thousands of Palestinian properties and imposing countless illegal measures for this purpose. Israel's construction, expansion and fortification of illegal settlements is a vast enterprise. The major organs of the United Nations have explicitly affirmed the illegality of these settlements and have called for their dismantlement. Yet, there are now 161 settlements and at least 96 settlement outposts in the Occupied Palestinian Territory, including East Jerusalem. More than 450,000 Israeli settlers — many armed and fanatical, who constantly harass and terrorize the Palestinian civilian population — have been illegally transferred into these settlements and continue to be transferred on a daily basis. Settlement construction in and around occupied East Jerusalem has been especially intense, with the occupying Power declaring its intention to create a contiguous Jewish presence linking East Jerusalem to major settlement areas in the West Bank, including via the so-called E-1 plan, totally isolating the city and its Palestinian inhabitants from the rest of the Occupied Palestinian Territory and furthering the Judaization of the city.

"Over the past four years, this colonization campaign escalated, with the occupying Power's unlawful construction of the wall in the Occupied Palestinian Territory, including in and around East Jerusalem, which is intricately linked to the settlements and intended to entrench them and to advance the land grab. The International Court of Justice and the General Assembly have deemed this wall to be unlawful and have demanded that Israel dismantle the wall and make reparations for all damages caused by it. Yet, in 2007, the construction of the wall has continued unabated. Entire communities are being destroyed and thousands of Palestinians continue to be displaced by this apartheid wall, which separates Palestinian areas, many of which have become walled-in enclaves, and is causing extensive socio-economic

devastation by destroying thousands of livelihoods, particularly those related to agriculture, and preventing access, inter alia, to education, food and water supply, medical care and other essential social services.

"In yet further collective punishment of the Palestinian people, Israel maintains a discriminatory road network for Israelis only, a racist permit system, and more than 550 checkpoints and roadblocks, including hundreds of 'flying checkpoints' per month, throughout the Occupied Palestinian Territory, including East Jerusalem. Prolonged closures and severe restrictions on the movement of Palestinian persons and goods throughout the Occupied Palestinian Territory and into and out of that territory are imposed by the occupying Power via these measures. Such restrictions violate the freedom of movement of the Palestinian people and many of their other basic human rights and continue to damage the economy, undermine development and deepen the humanitarian crisis. There is also extensive documentation of the harassment, physical abuse and humiliation endured by the Palestinian people at these checkpoints, as well as of the numerous deaths and live births that have occurred there, as civilians have been repeatedly prevented from reaching hospitals by the occupying forces. In this regard, the occupying Power also continues to obstruct the movement and access of humanitarian and medical personnel, including the staff of United Nations agencies, hampering the provision of essential services to the civilian population and the provision of emergency food and medical care.

"In terms of the closures, the Gaza Strip has been most impacted. In violation of the Agreement on Movement and Access of 2005, the Rafah crossing for people and the Karni crossing for goods are frequently closed and, when opened, only a limited amount of traffic is permitted through. At the time of the writing of this note, both crossings have been closed indefinitely by Israel. This has, among other things, left more than 6,000 Palestinians stranded on the Egyptian side of Rafah under severe humanitarian conditions. These persons include more than 1,000 Palestinians who had travelled to Egypt for medical care, 16 of whom died at or near the crossing due to the long wait under inhuman conditions. Moreover, the closures have gravely affected the economy in Gaza, since goods for export typically perish before reaching their destination, leading to loss of income and livelihoods, and basic goods are often in short supply in Gaza, aggravating already poor socio-economic conditions. Moreover, the Gaza Strip remains separated from the West Bank.

"Such unlawful Israeli measures are clearly intended to completely control the movement of the Palestinian people and contain them in disconnected, non-viable and unsustainable cantons. The shocking result of this massive and illegal Israeli colonization campaign is the carving up of the Palestinian territory into several isolated, non-contiguous Bantustans. All of these illegal Israeli practices and measures are dramatically altering the demographic composition, geographic character and nature of the Occupied Palestinian Territory, including East Jerusalem, and destroying its territorial contiguity and integrity, gravely undermining the prospects for achieving the two-State solution.

"Further, all aspects of Palestinian life continue to be gravely impacted by the illegal and inhumane Israeli policies and practices enumerated above.

Socio-economic and humanitarian conditions are particularly acute. Poverty, unemployment and hunger have sharply risen, frustrations, insecurity and despair remain high, and day-to-day survival in the Occupied Palestinian Territory has become more difficult, particularly in the impoverished Gaza Strip. These precarious conditions in the Occupied Palestinian Territory worsened in the past year with the continuation of the financial sanctions unjustly and punitively imposed on the Palestinian people following the democratic elections of January 2006. Today, at least 70 per cent of the Palestinian civilian population lives in poverty and nearly 50 per cent of the population is dependent on food aid.

"It is a tragic irony that the Palestinian people — an occupied people — have had sanctions and one condition after another imposed on them, while Israel, despite decades of systematic and grave breaches of the law, has never been placed under sanctions. Overall, this sanctions regime, in addition to Israel's withholding of Palestinian tax revenues, in violation of the Paris Protocol, has caused a severe financial crisis for the Palestinian Authority, debilitating its ability to function effectively and causing the degradation and de-development of Palestinian institutions and public services, particularly in the health and education sectors. The short and long-term effects of this unjust, illogical and unethical boycott continue to plague the Palestinian people.

"In this regard, it is unquestionable that the sanctions regime greatly contributed to the steep deterioration of the situation in the Gaza Strip and the upsurge of tensions, which in turn fuelled a cycle of internal fighting between Palestinian political factions and the complete downward spiralling of the situation in June with the regrettable criminal actions carried out by outlaw militias affiliated with Hamas that took over Palestinian Authority institutions in the Gaza Strip. Following these developments, the President of the Palestinian Authority, Mahmoud Abbas, initially formed an emergency government, which became a caretaker government, and continues to pursue efforts to bring calm and stability to the Palestinian people and to refocus energies towards a resumption of peace negotiations.

"Yet, the crisis on the ground continues, primarily as a result of the continuation by Israel, the occupying Power, of all of its illegal policies and practices in the Occupied Palestinian Territory, including East Jerusalem, and the negative ramifications of the sanctions, which have undermined peace efforts. The current situation thus remains dire and the prospects for achieving a peaceful settlement of the question of Palestine seem more remote.

"Unfortunately, numerous efforts and initiatives over the years and countless United Nations resolutions have not brought an end to this conflict and/or achieved the realization of the inalienable rights of the Palestinian people. However, this is not because these resolutions are defective. On the contrary, the many resolutions adopted by the United Nations, including the annual resolution on the item entitled 'Peaceful settlement of the question of Palestine', as well as the advisory opinion of the International Court of Justice (9 July 2004), justly, thoroughly and realistically address the core issues of the Israeli-Palestinian conflict and set out in very clear terms the requisites for redressing the plight of the Palestinian people and resolving this conflict. Yet, Israel, the occupying Power, has remained intransigent, acting in absolute

contempt of these resolutions and in grave breach of international law, including international humanitarian and human rights law. Such impunity by the occupying Power has undoubtedly been encouraged by the inaction of the international community in the face of such continuous violations and grave breaches of the law. This vicious cycle must be brought to an end.

"Urgent action must be taken by the international community to redress this unjust and unlawful situation in the Occupied Palestinian Territory, for its continuation is untenable. There can never be peace, security and prosperity in the Middle East as long as the question of Palestine, the core of the Arab-Israeli conflict, remains unresolved. If implemented, the many relevant United Nations resolutions addressing this crisis, including resolution 61/25, would have long ago ended the conflict. These resolutions remain valid and the principles and positions therein constitute the foundations of the peace process and the keys to resolving this prolonged conflict.

"The international community must uphold its responsibilities vis-à-vis international law and United Nations resolutions by taking practical measures to ensure respect for the law and the implementation of these resolutions and thus to finally hold Israel, the occupying Power, accountable for its actions, bring an end to its impunity and compel it to comply with its legal obligations. Only this will augur a new era in which the requisites for achieving a just and lasting peace could be implemented and fulfilled.

"Despite all of the difficulties and challenges, the achievement of such a peace — at the core of which is the two-State solution of Israel and Palestine, living side by side in peace and security on the basis of the 1967 borders — must remain our ultimate goal. This is recognized by the international community in resolution 61/25. In this regard, assessing the status of implementation of resolution 61/25 requires at minimum a brief examination of the calls made by the international community in the operative paragraphs of the resolution.

"While the Assembly has reaffirmed, inter alia, the necessity of achieving a peaceful settlement and intensifying all efforts towards that end, reaffirmed its full support for the Middle East peace process, and called for the fulfilment of road map obligations, developments in the Occupied Palestinian Territory over the past year, resulting mainly from the illegal policies and practices of Israel, the occupying Power, as detailed above, have undermined such efforts. Nevertheless, opportunities for pursuing peace are still before us and must be seized.

"The Palestinian leadership is committed to achieving a just, lasting and peaceful solution to the conflict and has repeatedly reaffirmed its commitment to the peace process on its agreed basis, to the agreements concluded between the two sides, to the road map and to the Arab Peace Initiative. In fact, the Palestinian side has repeatedly extended its hand in peace and indicated its readiness to proceed with final status negotiations without conditions and, in a very important development in the past year, President Abbas has been mandated by all political groups to negotiate a final peace settlement with Israel.

"Moreover, it is significant that the Arab Summit decided to renew and revive the Arab Peace Initiative, which continues to present a just basis for the achievement of peace. Full peace and normalization of relations are being offered to Israel in exchange for full withdrawal from the territories occupied by Israel in 1967 and the establishment of an independent Palestinian State on the basis of the 1967 borders, with East Jerusalem as its capital, along with a just and agreed upon solution for the Palestine refugees on the basis of General Assembly resolution 194 (III) of 1948. The Assembly has welcomed this initiative and should continue to support its promotion. At the same time, the Quartet recently decided to re-energize itself and to become more active by holding more meetings, including with the two parties, with the aim of promoting the implementation of the road map, and its efforts should continue to be supported as well. The promotion of confidence-building measures between the two parties by both the Quartet and the Arab side and all other efforts to stabilize the situation and restart the peace process should be supported, including the call by United States President George Bush on 16 July 2007, for the convening of an international conference for this purpose in the fall of 2007.

"In resolution 61/25, the Assembly also called upon the parties themselves to exert efforts to halt the deterioration of the situation, to reverse all measures taken on the ground since 28 September 2000 and to immediately resume direct peace negotiations, and stressed the need for a speedy end to the reoccupation of Palestinian population centres and for the complete cessation of all acts of violence, including military attacks, destruction and acts of terror. Most regrettably, these calls remained unheeded and the situation continued to deteriorate. Moreover, despite the Israeli withdrawal from within the Gaza Strip and the international community's call for the resolution of all remaining issues in the Gaza Strip, the situation there deteriorated to unprecedented lows as Israel continued to carry out attacks against the civilian population, to violate the Agreement on Movement and Access, and to keep Gaza under a total siege.

"Operative paragraphs 11, 12 and 13 of resolution 61/25 are very important. The complete cessation of Israeli violations of international law, including Israel's illegal colonization campaign and all other violations and grave breaches, is imperative for salvaging the potential for peace.

"In this regard, the Assembly has called upon Israel to comply strictly with its obligations under international law and to cease all of its unlawful measures and unilateral actions in the Occupied Palestinian Territory, including East Jerusalem, that are aimed at altering the character and status of the Territory, including via the de facto annexation of land, and thus at prejudging the final outcome of peace negotiations. It also has demanded that Israel comply with its legal obligations under international law, as mentioned in the advisory opinion and as demanded in resolutions ES-10/13 of 21 October 2003 and ES-10/15 of 20 July 2004. In addition, the Assembly has reiterated its demand for the complete cessation of all Israeli settlement activities and for the full implementation of the relevant Security Council resolutions. Regrettably, and much to the detriment of the search for a peaceful settlement, Israel, the occupying Power, has not complied with any of these demands and in fact continues to actively and flagrantly commit violations.

The Assembly must therefore continue to demand that Israel, the occupying Power, abide by international law and United Nations resolutions and cease all such illegal actions, and should seriously consider actions to compel it to comply.

"Operative paragraphs 14, 15 and 16 of resolution 61/25 are also central to this resolution and indeed to the peaceful settlement of the question of Palestine as a whole. The elements in these paragraphs constitute key requisites for achieving a just and lasting peace, and all efforts must continue to be exerted towards their fulfilment.

"The aid has become ever more crucial in light of the continued deterioration of socio-economic and humanitarian conditions over the past year, the deterioration of the economy and the degradation of Palestinian national institutions.

"Finally, we urge the Secretary-General to exert the efforts requested in operative paragraph 18, guided by the Charter and on the basis of international law and United Nations resolutions. Indeed, the United Nations as a whole has a permanent responsibility towards the question of Palestine until it is resolved in all its aspects, in accordance with international law. The United Nations should work concertedly to implement its relevant resolutions, which form the foundations for the achievement of a just, lasting and comprehensive peace.

"As resolution 61/25, regrettably, remains unimplemented, the General Assembly is duty-bound to continue pursuing efforts for a peaceful settlement of the question of Palestine via, inter alia, the implementation of the provisions of this important resolution. Serious efforts must be exerted to uphold the law, to bring an end to the Israeli occupation and to bring about the realization by the Palestinian people of their inalienable rights in their independent State of Palestine, with East Jerusalem as its capital, and to thus allow for the establishment of peace, stability and security for both the Palestinian and Israeli peoples, as well as the region as a whole. Accordingly, in light of the current critical situation, the international community must act collectively to compel Israel, the occupying Power, to comply with United Nations resolutions 242 (1967), 338 (1973) and all other relevant General Assembly and Security Council resolutions, to abide by its legal obligations under the Fourth Geneva Convention and the human rights covenants, to fully respect the advisory opinion of the International Court of Justice. Such action by the international community will tangibly contribute towards the promotion of the peace process and the ultimate achievement of a peaceful settlement of the question of Palestine."

## II. Observations

5. During the reporting period, political turmoil, violence and the creation of facts on the ground further undermined efforts to achieve a peaceful settlement of the question of Palestine. However, in a positive development, bilateral dialogue between the Israeli Prime Minister and the Chairman of the Palestine Liberation Organization resumed, in a context of renewed regional and international engagement, to help realize the vision of two States living side by side in peace and security.

6. The reporting period was marked by intense rivalry between Palestinians loyal to Fatah and to Hamas in Gaza, with efforts to bridge differences undermined by episodes of heavy violence. In February 2007, following a year of isolation of the Hamas-led Palestinian Authority Government, an agreement to form a national unity Government which respected the signed agreements of the Palestine Liberation Organization, was reached under the auspices of King Abdullah of Saudi Arabia. President Abbas subsequently tasked Prime Minister Hanniyeh to form a national unity Government.

7. The Quartet, which had stated in January 2006 that it was inevitable that assistance to any Palestinian Government would be reviewed by donors against the commitment of that Government to the principles of non-violence, recognition of Israel, and acceptance of previous agreements and obligations, encouraged progress in the direction of these principles. Some donors engaged the new Government, but most maintained a "wait and see" approach.

8. Regrettably, the agreement did not lead to significant alterations in the behaviour of security elements and militias. Heavy intra-Palestinian fighting resumed in May 2007. On 15 June, Hamas took control of the Gaza Strip, in fighting that shocked many by its brutality. President Abbas declared a state of emergency, dismissed Prime Minister Hanniyeh, and appointed Salam Fayyad as Prime Minister of an emergency Government.

9. Hamas refused to accept the appointment of the new Government and continued to assume control over the Gaza Strip. As the Palestinian Legislative Council failed repeatedly to convene to confirm or dismiss the emergency Government, owing to boycotts by either Hamas or Fatah, Prime Minister Fayyad was reappointed by President Abbas on 13 July to lead a caretaker Government. I believe that the Palestinian Authority remains the only legitimate authority, and that Gaza and the West Bank continue to form one single Palestinian territory. Without the de facto reintegration of Gaza under the Palestinian Authority, efforts to revitalize the peace process will be difficult to sustain.

10. In Israel, the Government faced difficulties throughout the reporting period due to political scandals and investigations into the conduct of the July 2006 conflict with Hezbollah. Prime Minister Olmert broadened his coalition in October 2006 by including the party Israel Our Home, which favours transfer of Palestinian citizens of Israel. In June 2007, the Labour Party, a partner in the governmental coalition, elected Ehud Barak as its leader. On 13 June, Shimon Peres was elected by the Knesset as Israel's ninth president.

11. Violence between Israelis and Palestinians, as well as among Palestinians, continued into the seventh year since the collapse of the Oslo process. Altogether, 11 Israelis and 1,053 Palestinians lost their lives in the reporting period. I deplore the heavy internecine violence in Gaza, which has brought about a major increase in the number of Palestinians killed and injured by fellow Palestinians. I condemn acts of terrorism, including a suicide bombing in Eilat and Palestinian rocket fire from the Gaza Strip, which have continued during the reporting period, causing civilian casualties and damage in Israel, and have also targeted crossings into the Strip. I also deplore the continuation of Israeli military operations into the Gaza Strip, which lead to civilian casualties. While fully acknowledging the right to self-defence of Israel, I recall that this right must be exercised in accordance with international law, that civilians must be protected, and that an appropriate

mechanism of accountability must be in place. In this regard, I note with concern the continuation of the practice of extrajudicial killings of alleged Palestinian militants, which has often resulted in the deaths of innocent bystanders.

12. On 4 July, I was relieved when Alan Johnston, a British journalist who had been kidnapped by Palestinian militants in Gaza nearly four months before, was released. However, it is a matter of regret that Israeli Corporal Shalit, who was captured by Palestinian militants in June 2006, has not been released. I am grateful to the Government of Egypt for its efforts to secure his release and that of a number of the more than 10,000 Palestinian prisoners in Israel. I am also concerned by the continuing detention by Israel of nearly a third of all Palestinian legislators, and I call for their release.

13. The wide-ranging military operation initiated by the Israel Defence Forces in the Gaza Strip after the capture of Corporal Shalit continued until a ceasefire was reached in November 2006. This operation was marked by a deplorable incident on 8 November, when at least 18 Palestinians, nine of whom were children, were killed in their homes by Israeli fire in Beit Hanoun. The General Assembly, at its tenth emergency session, requested the Secretary-General to establish a fact-finding mission on the attack. In a letter to the President of the General Assembly dated 21 December, my predecessor informed her that the Israeli Government had not indicated that it would extend the necessary cooperation to the mission, and he regretted that he had been unable to dispatch the mission.

14. Israeli excavations surrounding a new link between the Mughrabi Gate to the Haram as-Sharif/Temple Mount in the Old City of Jerusalem led to incidents of civil disorder and tension both on the ground and regionally.

15. The continued Israeli creation of facts on the ground has also undermined the search for a peaceful settlement. The Government of Israel has continued to fail to meet its obligation under the road map calling for a comprehensive settlement freeze and the dismantling of outposts. I wish to emphasize that a halt to settlement expansion is a necessity for the creation of a contiguous and viable Palestinian State, and for the credibility of the process not to be undermined. During the reporting period, settlement development and construction has continued, with major construction taking place, and the number of settlers in the West Bank and East Jerusalem has increased by 5.5 per cent. Furthermore, none of the more than 100 outposts in the West Bank have been removed.

16. I continue to note with concern the route of the wall, particularly as it results in the confiscation of Palestinian land and cuts off the movement of people and goods, in contravention of Israel's legal obligations as set forth in the advisory opinion of the International Court of Justice of 9 July 2004. In accordance with the provisions of General Assembly resolution ES-10/17, I have continued efforts to establish the United Nations Register of Damage Caused by the Construction of the Wall in the Occupied Palestinian Territory. On 10 May 2007, I appointed three international experts as members of the Board of the Register of Damage. The Secretariat is also in the process of completing the recruitment of qualified staff and the establishment of the Office of the Register of Damage at the United Nations Office at Vienna. As detailed by the Office for the Coordination of Humanitarian Affairs, the route of the barrier and the nature of the closure regime in the West Bank are intimately related to the existence and continued expansion of settlements, in violation of the Fourth Geneva Convention.

17. It remains a source of great concern that the Agreement on Movement and Access of November 2005 has not been implemented. Exports from Gaza have totalled only a fraction of the agreed targets. Even before the more severe closure of Gaza crossings following the Hamas takeover, many factories had closed and farmers were unable to export crops. No progress has been reported on bus or truck convoys between the Gaza Strip and the West Bank, nor on plans to rebuild the Gaza seaport and airport. The number of the internal closures imposed by the Israeli authorities in the West Bank increased from approximately 400 at the time of the Agreement on Movement and Access, to 532 in August 2007, severely impeding normal economic activity.

18. During the reporting period, the European Commission, in agreement with the Quartet, renewed and expanded the mandate of the temporary international mechanism. Total assistance to Palestinians in 2006, excluding funds channelled by donors not following the Quartet principles, reached approximately $1.2 billion, representing an increase of 10 per cent over 2005. Approximately €510 million, including a total European Union contribution of €485 million, was made available between June 2006 and August 2007 to the temporary international mechanism, thus helping the health and education sectors to continue to function, albeit with major disruptions. Humanitarian assistance also increased dramatically. In spite of this substantial effort, the deterioration of the situation made it clear that the temporary international mechanism could not be a substitute for the Palestinian Authority.

19. Consequently, the period before June 2007 was marked by an unprecedented fiscal crisis for the Palestinian Authority. As a result of the suspension of most direct international assistance and the withholding by Israel of the clearance revenue it collected on behalf of the Palestinian Authority, it faced a deficit of about 30 per cent of gross national product. This fiscal crisis in turn contributed to a serious decline in the delivery of public services. Most public schools in the West Bank remained closed for a prolonged period of time; public health facilities offered only limited services; and non-payment of the security services did not contribute to their effective functioning.

20. The takeover of Gaza by Hamas led to the absence of Palestinian Authority forces at the crossings, leaving the crossings mostly inoperable. I expressed my concern about the humanitarian and economic impact of this situation, and I reiterate my call on all parties to work constructively to operate the crossings. While humanitarian assistance is entering Gaza, it cannot suffice to stop the economic decline that results from the virtual inability to import raw materials essential for the production of industrial goods and construction, and export agricultural products and commercial goods. It is estimated that 90 per cent of Gaza's industrial capacity has been suspended and more than 70,000 workers have been laid off since June. Eighty per cent of the population in Gaza relies on food assistance from the United Nations.

21. The decision of the international community to re-engage with the Palestinian Authority during the summer of 2007, and the transfer by the Israeli Government of Palestinian tax revenues to the Palestinian Authority helped to ameliorate the latter's fiscal situation. As a result, Prime Minister Fayyad was able to pay full salaries to 160,000 Palestinian Authority employees for the first time in 15 months. In spite of this progress, the fiscal situation of the Palestinian Authority remains precarious, as its fiscal framework for 2007 shows a deficit for current operations of close to $1.6 billion.

22. I welcome the renewal of international diplomatic efforts in the reporting period to help the parties resume dialogue and overcome the many obstacles to peace. United States President Bush renewed his commitment to a two-State solution in a speech on 16 July 2007, and announced the intention of the United States to convene an international meeting in the autumn. This initiative built on the efforts of United States Secretary of State Condoleezza Rice from the start of 2007 to facilitate regular meetings between Palestinian President Abbas and Israeli Prime Minister Olmert. The leaders have met on several occasions during the reporting period for substantive discussions.

23. I encourage the leaders to find genuine and substantive understandings on permanent status issues for the international meeting, together with an agenda on further steps, both diplomatic and on the ground. Such steps would build on those already taken, such as the transfer of withheld Palestinian tax revenues to the Palestinian Authority, the release of 256 Palestinian prisoners, and the agreement not to arrest 173 wanted persons. The additional steps must, inter alia, bring an end to settlement expansion and remove outposts, improve Palestinian Authority security performance, enhance security cooperation, ease the severe restrictions on freedom of Palestinian movement, and create new economic opportunities for Palestinians.

24. In helping to advance this agenda, former British Prime Minister Tony Blair, who was appointed as Quartet representative on 27 June, will have a vital role to play. He has taken up with admirable commitment his new functions to support Palestinian institutional reform and economic rejuvenation. The United Nations is committed to providing the necessary support to ensure the success of his mission.

25. I welcome the efforts of the League of Arab States and several Arab countries to advance regional efforts for peace. On 28 March in Riyadh, the League of Arab States reaffirmed the Arab Peace Initiative. A follow-up ministerial committee established working groups to engage international partners and Israel and create greater public awareness of the potential of the initiative, and in July the Ministers for Foreign Affairs of Egypt and Jordan travelled to Israel to engage the Government of Israel. I note also that the Syrian Arab Republic has continued to state its commitment to the Arab Peace Initiative.

26. I further welcome Norway's proposal to reactivate the ad hoc liaison committee, which has not met since December 2005. The next meeting, to be held in New York on 24 September 2007, will be an opportunity to discuss management of assistance to the Palestinians, financial support to the Palestinian Authority, and Palestinian institutional reform, in consultation with the Quartet representative. It will be a stepping stone towards a donor pledging conference planned for December. In this context, the Palestinian Authority is expected to publish a three-year medium-term expenditure framework by November 2007. I hope that this strategy will take into account the needs of all Palestinians, in the West Bank and in Gaza.

27. The United Nations has remained engaged at a political level. The Secretariat has provided monthly briefings to the Security Council on developments in the Middle East, as well as whenever the situation on the ground has demanded that the Council be kept urgently apprised. I travelled three times to the region since becoming Secretary-General. I also attended four meetings of the Quartet, which has been re-energized, and I will host a meeting of the Quartet in New York on 23 September 2007. Members of the follow-up committee of the League of Arab States on the Arab Peace Initiative will also meet with the Quartet. I am confident

that this round of consultations will be helpful in shaping the context for the international meeting this autumn and the intimately related work of Mr. Blair.

28. I take this opportunity to deplore any threat or violence exerted against United Nations staff and humanitarian workers operating in the Occupied Palestinian Territory in general. I am particularly concerned at the fact that Palestinian and international United Nations staff members have faced increasingly arbitrary treatment by Israeli authorities, and I am looking forward to improvements in this regard in the context of ongoing discussions with the Government of Israel. I am also concerned by Palestinian violence targeting United Nations personnel, as has occurred inside or in the immediate vicinity of United Nations installations, and elsewhere in Gaza. Two national staff members of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) were killed and others were injured while serving the Palestinian people. I pay tribute to their memory.

29. In this difficult and challenging context, I want to praise the courage and dedication of the United Nations personnel serving in the Occupied Palestinian Territory. In particular, I am grateful to the Director of UNRWA Operations in Gaza, his staff and the security personnel, who remained at their posts throughout the height of the fighting in June 2007. I also wish to express my deep appreciation to Alvaro de Soto and Michael Williams, the previous and outgoing United Nations Special Coordinators for the Middle East Peace Process and my successive Personal Representatives to the Palestinian Liberation Organization and the Palestinian Authority, and the staff of their Office, as well as to the Commissioner-General of UNRWA, Karen Koning AbuZayd, the staff of the Agency and all other United Nations agencies, funds and programmes, who continue to provide indispensable and remarkable service under demanding and sometimes dangerous circumstances.

30. At this juncture, I am encouraged by the renewed and substantive dialogue between the parties and the reaffirmed commitment of the international community, including regional partners, on the political and assistance aspects of the peace process. I am also reassured by the repeated polls that show that a majority of people on both sides support the realization of the two-State solution in a non-violent manner. However, I remain deeply conscious of the challenges, particularly in the light of the continued Israeli settlement policy, the de facto division of the Occupied Palestinian Territory, the challenge of improving Palestinian Authority security performance and rejuvenating its economy, and the potential for those who oppose progress in the peace process to try to derail it through violence. I stress that it is vital that Hamas cease any effort to establish separate rule in Gaza and that Palestinians find peaceful means to overcome their internal differences and unite towards peace under the Palestinian Authority.

31. As Secretary-General, I will continue to ensure that the United Nations works towards the creation of an independent, democratic, contiguous and viable Palestinian state living side by side in peace with a secure Israel, within the framework of a comprehensive regional settlement, consistent with Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), and in accordance with the road map, the Arab Peace Initiative and the principle of land for peace.